



STATE OF ARIZONA

JANICE K. BREWER  
GOVERNOR

EXECUTIVE OFFICE

July 13, 2009

The Honorable Bob Burns  
President  
Arizona State Senate  
1700 W. Washington Street  
Phoenix, Arizona 85007

Re: Senate Bill 1464; state budget reports; financial condition

Dear President Burns:

Today I vetoed Senate Bill 1464, which requires the State Treasurer to prepare an annual financial condition statement for the Governor, President of the Senate and Speaker of the House of Representatives.

My five-point plan calls for substantive reforms in the way the State of Arizona forecasts revenues and also called for reforms to ensure that the State of Arizona balances on-going revenues with on-going expenses. While Senate Bill 1464 addresses some of the issues raised by the Executive, it comes up short of a comprehensive, collaborative solution.

Senate Bill 1464 provides for several new statements regarding revenues and expenditures. The State Treasurer would be required to provide an estimate of "probable receipts and disbursements from the treasury" for the current year and an itemized estimate of anticipated revenues for the next two fiscal years.

The Treasurer is the state's banker and cash manager. Any revenue forecasting undertaken by the Treasurer's office would be reliant on the Department of Administration's accounting systems and the Department of Revenue's tax collection tracking systems. In addition, the Executive and Legislative Branches already have internal and contractual expertise in revenue forecasting. Transferring the responsibility of forecasting revenues to the Treasurer's office would not be an efficient solution and would

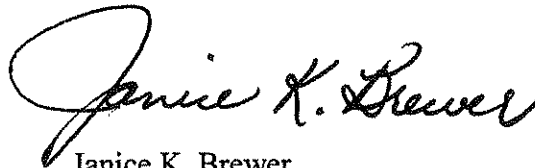
The Honorable Bob Burns  
July 13, 2009  
Page 2

not encourage collaboration between the Executive Branch and the Legislative Branch to reach a consensus revenue estimate upon which sound budgets can be based.

Senate Bill 1464 also calls for expenditure reporting requirements that are similar in concept to the constitutional expenditure limits imposed on Arizona local governments and TABOR (Taxpayer Bill of Rights) in other states. Unfortunately, the formula prescribed in Senate Bill 1464 contains inconsistencies that make meaningful conclusions difficult. For example, the spending increases for K-12 enrollment is included as an adjustment, but neither university nor community college enrollments are considered.

For these and other reasons, I have vetoed Senate Bill 1464.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer". The signature is fluid and elegant, with the first letters of the first and last names being capitalized and prominent.

Janice K. Brewer  
Governor

cc: The Honorable Kirk Adams  
The Honorable Pamela Gorman  
The Honorable Jack W. Harper  
The Honorable Ken Bennett